Union about a free trade alliance and will also soon begin free trade talks with Mexico, Canada and the Central American Common Market.

One of the consequences of Mercosur's expansion and the American retrenchment is that the U.S. is losing leverage in hemispheric free trade talks. While official negotiations are not scheduled to begin until 1998, the failure of the U.S. to secure fast-track leaves open the distinct possibility that the agenda and timetable for these talks will be dominated by other countries.

Lack of fast-track is also hurting U.S. companies seeking access to the region's dynamic consumer markets. American wine producers are losing market share in Venezuela to Chilean producers, not because Venezuelans prefer Chilean Merlot to Napa Valley Cabernet Sauvignon, but because Chile has a free trade agreement with Venezuela that allows its wines to enter the country tariff free. American wines, by contrast, carry a hefty 20% duty. If the duty were to be eliminated, industry experts believe that U.S. wine producers could see their share of the Venezuelan market jump from the current 5% to well over 30%.

While California wine producers cannot pull up their vines and move to more hospitable commercial climates, other industries are less restricted. Caterpillar Inc., based in Peoria, Ill., recently announced plans to produce bulldozers, excavators and off-road trucks in Brazil for export to Chile. The decision to build the equipment on foreign rather than U.S. soil was based on tariff considerations. U.S. exports to Chile face an average 11% tariff, while tariffs on Brazilian exports are being phased out under Mercosur. Other companies that may follow Caterpillar's lead include General Electric and Eastman Kodak.

Several major U.S.-based multinationals with joint ventures in Chile—including IBM, Southwestern Bell and McDonald's—have announced plans to source millions of dollars in equipment in Canada and Mexico rather than in the U.S. The reason, again, is that Canada and Mexico have bilateral free trade accords with Chile that permit their goods to enter the South American country tariff-free, while U.S. goods face prohibitive duties. According to the U.S. Chamber of Commerce, the loss of opportunity for U.S. exports to Chile is $480 million a year and climbing.

Those who question the need for deeper economic integration should consider the benefits of Nafta. Notwithstanding the 1994 peso devaluation—which halved the price of Mexico's exports to the U.S.—U.S. exports to Mexico and Canada have grown 34% since the pact took effect in 1994. They now outstrip total U.S. exports to either the Pacific Rim or Europe.

According to a Council of the Americas study of 21 U.S. states, nine states have witnessed 40% plus growth in exports to Mexico and Canada since 1993 and another seven have seen those export markets grow by more than 30% during that time. In 1996, California exported to Mexico more than $9 billion in goods and services. The California World Trade Commission estimates that exports to Mexico support more than 125,000 jobs in the Golden State, with almost 25,000 of these jobs resulting from export growth in 1995 alone.

Nafta has also helped promote U.S. interests in Mexico by helping stabilize the country in the aftermath of the peso crisis. After Mexico's 1982 peso devaluation, it took seven years before the country showed signs of recovery. By contrast, Mexico's economy touched bottom and began to turn around less than 12 months after the December 1994 devaluation. There is also little doubt that the climate of openness fostered by Nafta raised political consciousness and contributed to the July 6 electoral shakeup that ended 70 years of political dominance by the Institutional Revolutionary Party.

An activist American trade policy made possible by fast-track negotiating authority will keep the U.S. economy strong and guarantee that future generations enjoy rising living standards. That said, the importance of fast-track transcends economic issues. As Rep. Lee Hamilton (D., Ind.) recently said, "Fast-track is not just about trade, it is about U.S. leadership and influence in the world. And a president without fast-track is a president without power to promote U.S. interests abroad." We ignore this reality at our own peril.

PERSONAL EXPLANATION

HON. PORTER J. GOSS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1997

Mr. GOSS. Mr. Speaker, on rollcall Nos. 402–415, I was unable to record my votes because I was called away on a family emergency. Had I been present, I would have voted "yea" on rollcall Nos. 415, 413, 411, 410, 409, 408, 407, and 406, and "nay" on rollcall Nos. 414, 412, and 405.

IN HONOR OF THE 70TH ANNIVERSARY OF THE EAST SIDE CHAMBER OF COMMERCE

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1997

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay a respectful tribute to the East Side Chamber of Commerce on the 70th anniversary of its founding. The chamber has had a remarkable and honorable history of serving the residents and businesses of the East Side of Manhattan for most of this century.

The chamber was born in 1927 when it fought, almost single-handedly, to have a suspended trolley service reinstated to the Upper East Side. The chamber's successful 2-year battle to save the trolley service was only the beginning of a long history of service for the East Side.

The chamber also encouraged and took an active role in the development of housing projects like the Peter Stuyvesant Apartments, Ageloff Towers, and the Nation's first public housing venture, the First Houses at Avenue A and 3d Street.

East Side businesses benefited from the chamber's efforts as well. One successful campaign the chamber waged was the battle against push-cart markets which were rapidly congesting the Lower East Side and posing a threat to the area's businesses. The chamber's proposed alternative, the Essex Street Retail Market, was an indoor market that successfully kept push-cart vendors in business, but off the streets.

Over the past 70 years, the chamber made numerous transportation improvements to the East Side to facilitate access. The chamber played an active role in widening East Side streets, providing adequate subways, such as campaigning to have the IND routed through the East Side, and initiating discussions for an East River Drive.

The East Side Chamber of Commerce in 1997, under the leadership of president Joseph Greene and chairman of the board of directors, Sidney Baumgarten, is involved in many of the issues that affect East Siders: sanitation, rent control, bridge reconstruction, housing, crime prevention, education, and much more.

Mr. Speaker, I ask that my colleagues rise with me in this tribute to the East Side Chamber of Commerce as it celebrates its 70th anniversary. Their formidable record of achievement in bettering the East Side has made it a better place to live and work. I am proud to have an important and respected organization in my district.

INTRODUCING THE EMERGENCY STUDENT LOAN CONSOLIDATION ACT OF 1997

HON. HOWARD P. "BUCK" McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1997

Mr. MCKEON. Mr. Speaker, I rise today to introduce the Emergency Student Loan Consolidation Act of 1997.

Let me begin by saying that we must remember that everything we do in higher education has an impact on students, and the Department of Education's management problems are no different. It is no secret that I have had serious doubts about the long-term viability of the Direct Student Loan Program. Today we face a crisis in direct loan consolidation which only serves to heighten those concerns.

However, this is not about direct loans or guaranteed loans or which program is better. This is about students. This is about students who are currently unable to consolidate their direct loans. This is about student loan borrowers who may pay hundreds or even thousands of dollars in additional interest costs, who may have serious difficulty in securing other credit such as a mortgage, and who may even default on the student loans if we do not act now to fix this problem.

At this very moment, the contractor hired by the Department of Education to perform direct student loan consolidations is facing a backlog of 84,000 applications. This is clearly unacceptable. The number of students affected is actually much higher than this, since the Department of Education has now stopped accepting new applications for direct consolidation loans until this backlog is cleared. The Department hopes to accomplish this feat by December 1. However, to do that the contractor will have to quadruple the rate at which it is processing applications, and I have serious doubts as to whether this can be accomplished.

The legislation we are introducing today will fix this problem for students now, in the short term, rather than making borrowers wait months for the Department and its contractor to straighten things out. Currently, the Higher Education Act of 1965 prohibits direct student loan borrowers from consolidating their direct student loans into FFEL loans through private lenders and servicers. Even if borrowers could